

Pennsylvania Betrayed by the Administration.

NECESSITY OF PROTECTION TO AMERICAN IRON.

S P E E C H

OF

HON. JOHN SCHWARTZ, OF PENN.

Delivered in the U. S. House of Representatives, May 7, 1860.

Mr. CHAIRMAN: During the four months of this session, already passed, I have, together with the gentleman from New York, [Mr. HAS-KIN,] and my colleague from the sixth Congressional district, [Mr. HICKMAN,] been constantly assailed by the *Constitution*, the official organ of Mr. Buchanan. The gentleman from New York and my colleague have successfully defended themselves against its attacks; and it is now my purpose, before speaking on the subject of the tariff, to say a word or two of this journal, which, as is proved before committees of this House, is not sustained by the public patronage, but fed with public plunder from the Treasury of the United States, and that, too, at the suggestion of the Federal Executive, in order that it may defend his usurpations of power, his rank tyrannies, and strike down and attempt to degrade all those who dare pursue a course of honorable independence and consistency in favor of the people's rights and the people's interests.

I come here, sir, the Representative of Berks county—a county that, for a long series of years, has given a larger majority for the Democratic party and Democratic principles than any other county in Pennsylvania. In common with the people I have the honor to represent upon this floor, I admire the political virtues, the manly honesty, and the unwavering courage of Andrew Jackson. I more than admire, I revere, the immaculate purity of that statesman's character. The Democratic party, which he adorned by his bold and steady adherence to the principles which it proclaimed, has never long tolerated a treachery to the people, and it never will. Let corruption creep into its vitals, let it uphold the men who betray their trust, let it be false to its ancient traditions of sound government and strict accountability of public officers, and the day of its strength is departed, and the reign of its power is over.

Now, sir, while I am the exponent of a large Jeffersonian Democratic constituency, as I have stated, still, in nothing do I more thoroughly represent my district than in decided and uncompromising hostility to the treacheries to principle, the corruptions in office, and the generally infamous career of the present general administration of James Buchanan. Be assured, sir, if the Democracy of Pennsylvania warmly pressed the nomination of Mr. Buchanan upon the Cincinnati Convention, and the Democratic party of the Union nominated him as their candidate, and elected him President, that the people of Pennsylvania will not remain silent when he is forgetful of his pledges, and false to his principles. Nor will they deal in holiday expressions of pretended support. No, sir, they cannot be guilty of such cowardice; and, as one of their Representatives, I come here, not to speak

"In a toady's key,
With bated breath, and whispering humbleness,"
but to speak out boldly Democratic denunciation of an Administration that would, in the last agonies of its departing power, and when it can no longer hold control of the Government, like the blind giant of the Jews, pull down into ruin the fair fabric of Democratic organization.

Mr. Chairman, as the Congressional term of Mr. Jones, my predecessor, was approaching its close, and the people were being called upon to provide for the next term, a general desire was expressed throughout the district that he should be superseded, and that his truckling to power, and his infidelity to the people upon the tariff question, and in his support of that loathsome abomination of modern legislation—the English Lecompton Kansas bill—should be heartily condemned and repudiated. Several worthy gentlemen were put forward before the delegates, in opposition to Mr. Jones, but they declined, upon the ground that it would be:

impossible to make head against the fraudulent delegate system. Jones was nominated by a Convention principally controlled by office-holders and office-hunters, who, in the one instance, if fascinated by the allurements of Federal patronage, were, in the other, terrified by the threats of dismissal from the public crib. The Lecompton party in Washington were thrown into an ecstasy of joy. They serenaded Mr. Jones at his hotel, and everywhere it was declared that Mr. Buchanan's policy would be sustained in old Berks county by a majority of seven thousand. But the dissatisfaction I have mentioned remained unabated. On the 11th of September, 1858, an Anti-Lecompton Convention or mass meeting was held in the city of Reading, consisting of workingmen, farmers, and business men generally. I was nominated as an independent candidate, running upon the regular Cincinnati platform, and in opposition to the Administration of Mr. Buchanan. I accepted the nomination which was tendered to me by the people, and I wish to be understood, fully and fairly, that I would rather have my right arm drop from me, than deceive the kind and noble people who have placed their trust in me. I have not deceived them thus far, nor will to the end. What a presumption of this Administration to suppose that I could be bribed by its dazzling power! I glory in serving the people—a higher political power than the President. I am proud to serve the people, who are the masters of the President's power, as well as of mine.

I never before held office in my life, nor have I sought any, if I except my commission as second lieutenant in the volunteers during the second war of independence, in 1812. The canvass between Jones and myself was an exciting one. Mr. Wendell, then the Public Printer of the United States, to all intents and purposes swears, before the Committee on Public Expenditures of this House, that, at the humble suit of Jones, he contributed large sums of money to carry the election against me, and for Jones; but money was of no avail. Mr. Jones represented himself as the President's right-hand man, and that it was impossible the Government could spare his statesmanlike ability. He really told the people that Mr. Buchanan could not do without him; that he must have Jones to help him with the Government. I contented myself with advocating *Jeffersonian Democratic* principles, and the ancient traditions of the party, and denouncing corruption in office, and treachery to plighted faith. The verdict was rendered; and what was it? That if J. G. Jones was the right-hand man of the President, I was the *right-hand man* of the people, the President's masters. Mine, sir, you must admit, is the higher and more honorable position.

An attempt made to deprive me of my certificate of election was frustrated; a count of one of the ballot-boxes showed more majority

for me than had been returned. When my election was sure, and the people rejoiced, the President consoled his *protégé* with a fat foreign mission, and the *Constitution* (then the *Union*) heaped vile abuse on the people of Berks. The dainty delicacy of Mr. Buchanan's aristocracy of action had been offended by a free people expressing their preference in opposition to his arrogant dictation. That people must be abused; and as their Representative then, as I have been at this session, epithets, without a particle of ground for them, were and have been hurled at me, in language that would shock the decency of Billingsgate. In nothing, however, was I more outraged than seeing Administration papers put down my victory as an Administration victory, and my name in the list of Administration members.

Now, Mr. Chairman, let me say another word about myself. The organ of the President, the *Constitution*, has even descended to low and coarse allusions to my years; and the venerable presiding officer of this House, Mr. PENNINGTON, has been similarly assailed. Thank God, in my long life I have never disgraced myself by a dishonorable act; never deserted my friends; never betrayed my principles, and never lost the respect of my neighbors, among whom I have lived since boyhood. Mr. Buchanan is an old man himself, probably ten years my senior. He has a great name, and, being President, ought to have a great intellect. I have known him for thirty-six years, and he has known me. Professing no distinguished talents myself, I will not run comparisons with so distinguished a character; but I would rather be plain JOHN SCHWARTZ, with the good opinion of my fellow-citizens, than a President who has lost the confidence of his oldest and truest friends, and who trembles at the idea of meeting the men face to face that he has deserted, and then attempted to betray. I have never set up, sir, any claims to Mr. Buchanan's favor; never asked him for any office; and yet, nearly twenty years ago, my friend Forney, the present Clerk of this House, whom I had the pleasure to nominate for that position—and I never gave a more hearty vote in my life—Colonel Forney and myself assisted to save Mr. Buchanan from a disgraceful defeat when he sought to be re-elected to the Senate of the United States. Governor Porter, now a great friend of the President, and then his worst enemy, sought to use the glorious Henry A. Muhlenberg, of Berks county, as a candidate for the Senate, in order to divide the Democratic party so as to prevent the election of Mr. Buchanan. The friends of Mr. Buchanan had to meet in State Convention to prevent Governor Porter from defeating him; and Colonel Forney and myself, together with many other good men, some of them dead and a number of them still living, prevailed upon Mr. Muhlenberg to refuse the use of his name for this purpose. Not being much of a poli-

tician myself, I can refer to this circumstance to show that, if Mr. Buchanan can forget, I may recall it to remind him that it is a sad thing for one old man to set his hounds upon another old man. I have said that I have asked Mr. Buchanan no favors; can he say that he is not indebted to JOHN SCHWARTZ for some consideration? At least, may I not ask of him to call off his dogs—his British editor included—in their personal attacks upon my private character?

And now a word to the rebel Democrats, of whom, Mr. Chairman, I am one, and proud to be so. What is my offence? I stand by the old Democratic faith, without altering a comma or crossing a t. I cling to the creed given to us by the South at Cincinnati, and forced upon us by the South; ay, sir, and explained by the President himself. If they have changed front, that is their choice; I do not blame them for changing. They had a right to change; but I do complain that I should be hunted down for not following their example. What, then, is my offence? I voted for JOHN SHERMAN and for WILLIAM PENNINGTON—both Republicans, it is true; but did not the very men who abuse me for voting for them, vote for known and adhering Americans? Did not Mr. Buchanan's own newspaper praise the Democrats who voted for Southern Know-Nothings? In my own county of Berks, Mr. Chairman, I have been taught to believe that a Republican was no worse than a Know-Nothing; and in choosing a Republican, I was controlled by a desire to vote for no man who sympathized with the betrayal of Democratic principles, and who assisted in personal assaults upon myself and all those who would not follow Mr. Buchanan in this betrayal. But I had another reason for voting for JOHN SHERMAN and WILLIAM PENNINGTON. They were, and are, both in favor of the protection of American industry. Mr. Buchanan promised to help us with our tariff. He himself told many of us that, if elected President, he would take care of the interest of Pennsylvania. What he has done, let the people judge.

Mr. Chairman, I now approach the consideration of a question which concerns the interests of the people of Pennsylvania, next to the integrity of the Union, more than any other; and that is the tariff bill now before the Committee. That there is a necessity for an increase of the tariff at this time, even those, I presume, who are opposed to protecting the great interests of the country, cannot deny. We have a heavy debt hanging over us, which continues and has continued to increase, because of the inadequacy of the existing rates of duties upon imports to provide revenue sufficient for the ordinary functions of the Government. Once it was said that a national debt was a national blessing; but that long since has been an exploded idea, and there is not, that I know of, even a respectable fac-

tion of any party who will now urge it upon us. If the policy of the Government, then, be to prevent the accumulation of a heavy debt, we must cease making loans; and to do that, we must provide for the raising of revenue sufficient to meet the wants of the Government. When we do that, we stop the issue of any more Treasury notes, or the raising of any more loans. And then, again, it would seem to be the part of duty and prudence to provide also for the gradual extinction of the existing debt of the United States.

Mr. Chairman, I propose to make a few practical remarks with reference to the collection of duties upon imports. It is established, beyond doubt, that fraud is perpetrated upon our revenue laws, and will be so long as we have *ad valorem* duties upon articles by weight and measure. That would be prevented by following the recommendation of President Buchanan, in the adoption of specific duties. As the *ad valorem* duty now operates, if iron is high the duty goes up, and if iron is low the duty goes down. The consumer, when there is least need for protection, pays high; and when iron is low, the duty affords no protection, and the manufacturer loses. And, moreover, the *ad valorem* system operates as if a new tariff were enacted at every change of price. It encourages fraud upon the revenue, because a small invoice price produces a duty proportionally low. It tends to throw the importing business of the country into dishonest hands. It offers a virtual bonus upon the consumption of inferior articles. Specific duties, on the other hand, tend to counteract the fluctuations of trade and insure regularity to the business of the country, as the producer can calculate with comparative certainty upon the competition against which he has to contend, and can establish his production upon so firm a basis that, on the average of years, as cheap, if not cheaper, prices are insured to the consumer.

The true test of national prosperity is to be found in the price of labor, which can only be maintained at a permanently high rate by opening every possible avenue of employment to receive the ever-increasing supply. The *ad valorem* system of duties tends to narrow the field of labor, and consequently reduce its rewards. The employment in manufactures, by diverting a large amount of agriculture, insures a home market and better prices to the farmer. And the cotton planter is equally interested with the farmer in securing large wages and diversified employment to labor, because it increases the ability of the community to consume; thus securing, at the same time, a large home market for cotton, and, by reducing the quantity forced upon the foreign market, a higher price for the staple. The protection which is required is protection for the Government against frauds upon the revenue; for the importer, against dishonest competition; for the producer, against the unnatural fluctuations of trade; for the con-

sumer, against high prices of iron, which are rendered inevitable by the absence of domestic production; for labor, against the meager rewards which a narrow field for employment must occasion; and for the farmer and planter, against the obvious disadvantages of a single market and the loss of intrinsic value entailed upon their produce by the expense of transporting it abroad.

Stability and permanency in the tariff law are the first and most essential requisites to a healthy state of the iron trade. The manufacturers prefer the lower duties which will enable them to prosecute their business, provided the duties be permanent. This can be effected only by the imposition of specific duties.

Mr. Chairman, it has been repeatedly asserted that the iron manufacture of England was established under a system of free trade, and it has been argued that a similar system should be adopted in the United States. This assertion, it is believed, has not been met in this country by detailed statement of facts. I am of the opinion that I can satisfy any one, by stating that, while the English iron manufacture was in rather an infant state, the Government gave it a very high protection, and continued that high protection until the manufacture arrived at such a stage of maturity as to be able to maintain itself against foreign competition. The most striking comparison between the legislation of England and the legislation of the United States is the steady protection given by England to her iron manufacture, and her encouragement of confidence on the part of capitalists and men of enterprise. Our manufacture, instead of being steady and regular, as it should be, is converted into a species of adventure, and is looked upon by capitalists as more hazardous than any shipping or commercial speculation. In any particular enterprise of commerce, even if there should be a loss, there remains a balance in cash; but it is not so with the manufacture of iron. To make iron, there must be investments in buildings and machinery, requiring a capital greater than many of our merchants employ in their whole business. Those investments by ironmasters are no sooner made, than several hundred families gather round the works, and look to them entirely for their support. Then the law is changed, or, what is almost as bad in its effects to all the parties concerned, a change is talked of. Buyers reduce their orders; makers are obliged to dismiss their workmen and prepare for the threatened storm. Their credit is injured, from the fact of having so large a capital invested in their works, which, when standing idle, can be regarded as only so much money sunk or lost, as it pays no interest, and cannot be disposed of.

We have heard much, Mr Chairman, of the necessity of keeping up the national armories of the United States, in order that the expert workmen there collected shall not be dispersed. We are told, that if they were dispersed, when

occasion for their services returned, men like them, in experience, skill, and efficiency, could not again be employed for a long series of years. I admit the force of the logic; and I ask, for the same reason, that the great iron interest shall not be neglected. There is no branch of manufactures that relies more for its economical and profitable prosecution on the division of labor, and the consequent skill of the workmen, than that of iron. Every man or boy employed in the rolling mill, or other works, has his peculiar duty, and must have more or less tuition or training before he is capable of performing it. The iron passes through all of their hands before it is finished. The awkwardness or ignorance of one of them will frequently destroy the product of the labor of twenty men, and entail the loss of that labor upon the manufacturer. No kind of manufactured goods can command a sale, unless they are of a uniform quality. Even if that quality be inferior, it must be uniform. This can only be obtained by experience and care in the management, and skill and constant practice in the workmen; by their being accustomed to the materials which they are using, as well as to work with and for each other. With these advantages of drill and practice, we can produce iron cheaper every year, even if we pay the same price for labor and material; but these advantages we are not permitted to enjoy. Our works are stopped, our men scattered to every quarter of the country; and then follows a long period of inaction, and consequent distress among the families connected with the works. In the mean time, the alleviation of these evils is embarrassed, and the relation of the employer and employed is embittered by the declarations of interested persons, who affirm that the cessation of employment is the result of combination for political effect. The employers are denounced as tyrants; our men are stigmatized as slaves, and their worst passions are appealed to. Ingenuity is exhausted in the effort to show that the manufacturers of iron—a class composed of men of all shades of political and religious opinions, and the larger portions of whom have never seen each other—have obstinately combined together for the purpose of sacrificing present profits to the hope of extorting greater ones from the Government; and that they are using miseries, needlessly occasioned by them, to strengthen their appeals for public aid. If it could be asked of them seriously to reply to such assertions, it would be enough to point to the manufacturers who have become bankrupt within the several periods of the interruptions in the iron business. Upon a resumption, there is a scarcity of skillful men, and a consequent advance in their wages to onerous and unjust rates, beyond the ability of the manufacturer to pay. A whole year, at least, is consumed in arriving at the same degree of economy and perfection in the manufacture as had been obtained before the suspension of operations. The constant and regular running of their works is

a principal cause of the perfection and cheapness attained by the English manufacturers; and one the result of which we might enjoy to a greater extent than they, for our workmen are more intelligent than theirs, and therefore susceptible of greater improvement. It is also the principal reason why they prefer to run at a loss rather than stop. They have the requisite capital, and money they can get at low rates. Ours have not, and must stop or be ruined; and they naturally choose the lesser evil. It is against *this evil* that our manufacturers ask the protection of Government.

The progress of our iron makers and others, from 1824 to 1844, (only a few years of interruption excepted,) not only in the manufacture of iron, but also hardware and other articles made of iron, (in which the skill and ingenuity of our workmen can be brought in competition with those of English workmen, without the enormous difference in capital being so much felt,) until it was arrested by an *ad valorem* tariff, was without a parallel in any branch of manufactures in this country. The American production of iron reached a quantity equal to that of England twenty-five years ago. In 1835, the English manufacture amounted to 800,000 tons; and with the advantage of steadiness in the tariff, if one-half the amount of protection extended to the English manufacturer were extended to our iron men, I am clearly of the opinion that in less time than seven years, in addition to supplying the entire home market, we would have iron to export.

The English specific duty charged upon the importation of iron has been as follows: In 1803, it was about \$23 per ton; in 1804, \$24.25 per ton; 1805, \$25.25 per ton; 1806, \$26.25 per ton; and then it went steadily up to 1809, when it was \$29.40 per ton. It remained at that rate until 1813, when the Russians and Swedes were pouring iron into England, and the rate was then increased to \$32 a ton. In 1819, iron, if imported in English vessels, paid a duty of \$32 per ton; if in foreign vessels, \$40.25 per ton. Iron slit or hammered into rods, iron drawn or hammered less than three-quarters of an inch square, heretofore prohibited, paid a duty of \$100 per ton. Kinds not enumerated, but which were before prohibited, paid a duty of 50 per cent. Hoops, before charged \$57, paid a duty of \$118.75. From these figures members can judge how England has protected *her* iron manufacture; and the British always imported the largest amount of goods under specific duties.

The necessity of securing the home market to the home producer may be thus stated: a manufacturer has observed that his country, for a long period, has been supplied with a certain article at a range of prices at which he thinks he could furnish it. He consults the consumers of the article, and they encourage him to go on, agreeing to give him the preference. He makes a large outlay, and begins his work. His goods go off freely, and he has the market. The foreign article must now be with-

drawn, or reduced in price. It cannot be withdrawn, for there is no other market, and the price is reduced. The home producer is now receiving his first lesson, and he must reduce his rates also at the first stage of his operations; the foreigner, only after a long period of success. It becomes now a struggle for existence; and the foreigner, having the accumulated wealth of a long career, determines to extinguish his young rival, and again reduces the price. The home producer applies to the Government for protection; and though the whole array of free-trade arguments is brought to bear against the application, it prevails, and a specific duty is laid, which gives the producer a price at which he can maintain his production in full vigor. The foreigner, still determined to conquer the market, reduces his price according to the duty, or, in other words, pays the duty, and again enters the lists. At this stage of the struggle, the whole quiver of free-trade weapons is let loose upon the monopolist, who is charged with receiving a premium to the whole amount of the duty, to sustain a manufacture that ought never to have been started. The absurdity of not buying altogether in this cheap foreign market strikes the philosophers of the closet so strangely that they cannot express their surprise at the dull intellect of mere men of business. To resume: the home producer is again forced to ask further protection, and to say that his business must perish, if he does not obtain it. Again common sense prevails over theory; a heavier duty is laid, and his business revives, though suffering severely from these interruptions, and by no means in the state of efficiency in which it would have been but for their influence. If it be supposed that the foreigner is unable to continue the struggle unaided, he applies next to his Government for the removal of certain taxes, charges, and duties, which bear upon his products, for the avowed object of enabling him to retain the foreign market, of which he may otherwise be deprived.

Thus may a struggle be carried on for many years, to the serious injury of both parties, perhaps to their ruin. The operatives engaged in the home product, thus injured, must suffer severely, while the advocates of free trade cry out, "Let them fight it out!" and the merchants, also, who are the real purchasers, find their interests greatly promoted by the contest, as the lion's share falls to them. It is thus, too, that the cheapness of a foreign market, which makes it the very climax of free-trade arguments, is caused by want of demand for its goods. That want of demand arises from home production, which deprives the cheap market of its customers. The more the foreign market is thus cheapened by home production, the more the necessity is increased to afford protection to that market, on which the home production is mainly dependent. Individual merchants and consumers are always prompt enough to avail themselves of a cheap market when it offers;

but nations should never commit their people to the absurdity of relying on any market because it is cheap. The policy of a nation cannot be changed with the productions of a market; but it is the business of individuals to watch the market, and operate wherever advantage calls them. The United States cannot obtain her whole supply of iron from Great Britain in one quarter of the year, make it at home the next, and go abroad for it the next; nor can this be done if the quarters be extended to years, or to periods of five years.

It is worthy of remark that, while free-trade theorists cry out "humbug," "let us alone," and all that sort of thing, as summing up all the wisdom needed by Governments in the management of trade, they stop the mouths of laborers, artisans, and manufacturers, as not knowing or not to be trusted with their own interests. "*Who are to be let alone?*" The merchants. These agents, these buyers, transporters, and sellers of the products of industry ask, by their friends of the free-trade philosophy, to have the whole business committed to them—to be let alone—while they exert every faculty, every nerve, and all the shrewdness, superior knowledge, and address, they possess, under the stimulus of all the selfishness of human nature, in the prospect of gain, for their own benefit. But let it be noted that the producers and the manufacturers do not cry, "*let us alone.*" Their cry in Europe, for the last century and more, has been for protection; and it has been accorded to them. Under this protection, the products of Europe have increased at a rate of five-fold the increase of population. But this *let-us-alone* policy is put forth only in behalf of the foreign merchant. The merchant of the domestic product unites with his special patrons; the foreign merchant, whose business represents but a tithe of the business of the country, asks to have the interest of the nine-tenths committed to him. Let the manifestoes of free trade be examined, and it will be found that they mock at the manufacturer, scoff at his statements, complaints, and petitions. It has been so for a century; yet the doctrine of protection has been, in the main, the policy of every modern civilized nation during that period, in which industry and arts have made more progress in one century than in a thousand years before. It is true that in England, and some other countries, some departments of industry have been so long and so fully protected, that, with the advantage of cheap labor and cheap capital, they no longer require protection; and the persons interested in those departments may even join in the cry of free trade, as they naturally wish to remove all obstacles to carrying their goods to all the markets of the world. These exceptions only prove the rule; they are exceptions only because the rule exists. I appeal, then, that manufacturers, small and great, shall be heard, and that they shall be regarded

as representing the producing classes, the industry of the country.

Mr. Chairman, I will now briefly allude to a commercial convention which has recently taken place between England and France. The apparent concessions on the part of the French Government are mostly on the raw material, while the tariff upon British manufactured goods is reduced only to thirty per cent. *ad valorem* on home valuation; and the *ad valorem* system is not intended to be applied permanently to the duties upon British goods. The thirteenth article of the treaty provides that specific duties shall be fixed before July, 1860, to be regulated by the market price of the articles during the six months preceding the date of the treaty. Shipping charges, freight, insurance, and commissions, are to be added to the English price, in order to ascertain the specific duty by the *ad valorem* application. When it is remembered that capital and labor are at least as abundant in France as in England, and that thirty per cent. is still charged upon English manufactured goods likely to interfere with the products of French industry, we cannot believe that France, any more than any other nation alive to its interests, will neglect the great industrial interests upon which are founded the prosperity of a people.

Mr. Chairman, build up the manufactures of this country, and every other branch of industry and occupation will thrive. If we build up the manufactures of Great Britain, we do not get any remunerative returns for our agricultural interests. England takes our money for her goods; and when she wants wheat and other grains, she draws her supply from the Baltic and Mediterranean. View it in every aspect, and duty, as well as policy, demands that we should first be fair and generous to our own industry.

Manufacture of iron is not a local or individual interest, but is of national importance, affording a supply of a chief element of progress in time of peace, and an important article in time of war. It has been the policy of every great Government to extend a fostering care to the production of iron; and that is shown by the example of *Great Britain*. It is worthy of notice, that, by favoring legislation, she sustained and protected the iron interest in its infancy, and never removed her favor until that interest reached its full development, and her iron manufacturers were able to defy competition. In the United States, the developments of its industry, and particularly the manufacture of iron, lie in the high price of labor and money. It must be understood, that, in the manufacture of iron, all connected therewith is labor. It is taken from the earth by labor; it is conveyed to the works by labor; it is there worked into iron by labor, and from thence conveyed to market by labor. The fact is, it is nothing but labor. Let me tell gentlemen, that

where there is no stability in our tariff laws, no manufacturer can succeed, much less become a capitalist, like those of England. Let Congress pass a tariff law, on the principle of specific duties. The iron manufacturers of east Pennsylvania do not ask anything higher than incidental protection, to discriminate upon the principle of the gentleman from Virginia, [Mr. MILLSON,] and to raise revenue sufficient to sustain the Government and reduce its indebtedness. The bill now before the Committee, introduced by the gentleman from Vermont, [Mr. MORRILL,] is just to all the iron interests. I will state to the Committee, that the American iron is far superior *in quality* to the English iron. My experience has taught me that the English are fond of high prices; and, should Congress fail to pass the bill now before us, our iron manufacturers must yield up their business, and leave it to the English, who, in less than one year and a half, will raise the price from twenty to thirty per cent. But render a helping hand to our manufacture, and in six or seven years they will be able to take, in part pay, Southern and Western bonds for railroad iron, and give American iron as cheap, and much better, than English iron.

The farmers will receive better prices from a home market. Wheat, rye, corn, oats, potatoes, &c., and butter, cheese, eggs, and garden truck, which will be needed, will all be consumed (at least what the farmer has to spare) at our own manufactories, in place of the English farmer supplying English manufactories, and the English iron manufacture having the American market beside. Our farmers, buying British goods, become the consumers of the British farmers' products.

In the eighth Congressional district, which I have the honor to represent, we have, since we became a manufacturing people, a large accession of Irish and German population, who, through their industry, accumulate property; some pursuing agriculture, (principally the German,) and others various trades and manufactures. The Germans have reclaimed waste lands with their indomitable industry, which now yield them a livelihood, and even a surplus for market. They can dispose of this surplus at our iron manufactories in times of prosperity.

One word more upon the *ad valorem* system. As generally adopted, under recent revenue laws, while always discriminating against domestic industry, and more severely on a failing market than at other times—since the duty or protection declined with the prices—it held out also the greatest temptation to fraudulent invoices of foreign goods. Even where these are not attempted, it is too often the case, the fabrics are at least invoiced, and this by the most respectable foreign houses, at mere cost of labor and material, without the usual necessary additions of interest on capital, wear of machinery, and profit on the manufacture. All these are

avoided by the European manufacturer establishing an agency of his own for the sale of his goods in this country, instead of disposing of them abroad, as before, directly to our American importers; and a sort of legitimate excuse is thus offered for deferring all calculations of profits, &c., till the final disposal of the goods in our market. Not only is the domestic producer thus greatly injured, but the Government is wronged of its tribute, which it formerly received on the full value of the goods. Moreover, foreigners thus come to monopolize the commerce as well as the distributing trade of the goods they so manufacture; and the American importer, who has, of course, no facilities for competing with this mode of invoicing foreign goods, is driven from the market.

A permanent tariff, with specific duties, payable in cash at the time of importation, with the total abolition of the warehousing system, which operates, as has been shown above, exclusively against the American importer as well as the domestic producer, I believe, from the testimony before the Board of Trade of the city of Philadelphia, would remedy the evils now afflicting the country, revive our industry, and restore prosperity.

High rates of interest for money ruled for three years before the crash of 1857. To show this ruinous drain of specie, the following table of our imports and exports of silver coin, gold coin, and bullion, for the past nine years, as contrasted with the preceding twenty-seven years, has been carefully prepared from the report of the Secretary of the Treasury.

United States exports and imports of specie during a period of nine years, from 1851 to 1859, inclusive, and the aggregate for a period of twenty-seven years, from 1824 to 1850, inclusive.

		Special imports.	Exports.
1851	- - -	\$5,453,592	\$29,472,752
1852	- - -	5,505,044	42,674,135
1853	- - -	4,201,382	27,486,875
1854	- - -	6,958,184	41,436,456
1855	- - -	3,659,812	56,247,343
1856	- - -	4,207,632	45,745,485
1857	- - -	12,461,799	69,136,922
1858	- - -	19,274,496	52,633,147
1859	- - -	7,434,789	57,502,305
		69,156,730	422,335,420

Surplus exports over imports,
1851—1859 - - - - - 69,156,730

Specie loss to the country - - - 353,178,690

Now, compare exports and imports, total from 1824 to 1850, inclusive.

Imports	- - - - -	\$246,987,465
Exports	- - - - -	165,519,707

Surplus imports over exports - - 81,467,758

I will say no more at this time.

WASHINGTON, D. C.
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1860.